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C O N F I D E N T I A L SECTION 01 OF 06 BRUSSELS 003248

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SUBJECT: U.S.-EU CONSULTATIONS ON W.BALKANS: CONCERN OVER
BIH, MOVEMENT ON KOSOVO, ENGAGEMENT WITH SERBIA

REF: (A) BRUSSELS 3192 (B) BRUSSELS 3120

Classified By: POL Enlargement Unit Chief V. Carver for reasons 1.5 (B/
D).

SUMMARY

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11. (C) EU and member state officials told EUR/SCE Director Chris Hoh, during the Oct. 24 U.S.-EU consultations on the W. Balkans (COWEB) and in separate meetings in Brussels, that they are reviewing the possible launch of an ESDP mission in Kosovo before a UDI and that a "critical mass" of member states will recognize Kosovo independence -- both of which will be made easier for member states if the EU is consulted closely on a timeline leading to a UDI. Several contacts observed that Serbia may interrupt energy supplies to an independent Kosovo and that Moscow and Belgrade will force the closure of the OSCE mission there. EU interlocutors expressed concern about Dodik's threats in BiH. While stressing full support for HR Lajcak and the gradual escalation of Bonn Power measures, a few interlocutors questioned EU willingness to support very tough steps, including ultimately removing Dodik. The Portuguese Presidency confirmed that it will raise BiH during the EU-Russia Summit Oct. 26. All stressed the need to strengthen Serbia's European identity, predicted a quick initialing of an SAA with Serbia absent a negative assessment from Del Ponte following her upcoming Belgrade trip, and pointed to visa facilitation as one of the EU's strongest tools in strengthening EU-Serbia ties. Several contacts expressed disappointment with the pace of reform in Macedonia, with some characterizing the political class there as "not mature." The Commission noted it would not recommend a date in its Nov. 6 report for the beginning of formal accession negotiations with Skopje. The EU views Montenegro and Albania as success stories, although more needs to be done in both countries on fighting corruption and organized crime. Hoh also discussed Croatia, with the EU expecting a heightened pace of reform after the elections; EU officials also called for the continuation of the OSCE Mission in Croatia. List of interlocutors in paras 22-23. END SUMMARY

KOSOVO

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12. (C) Council Secretariat Director for the W. Balkans Stefan Lehne underscored EU support for the troika process and for EU rep Ischinger's call to intensify the process. According to Lehne, EU FMs have expressed four major goals regarding Kosovo: (1) maintaining regional stability; (2) strengthening EU engagement, including via an ESDP mission; (3) resolving Kosovo while keeping Serbia on its European

track; and (4) maintaining EU unity. (He observed these goals are not always easy to reconcile with each other.) Lehne said there is little expectation that Kosovo Serbs will participate in the November 17 elections. The EU has been sending "clear messages" to Belgrade that any organization of parallel elections by Kosovo Serbs would be a clear violation of UNSCR 1244. Turning to the potential ESDP mission and the ICO, Lehne noted that the EU had extended the mandates for the preparatory teams for both through the end of March. The EU, he emphasized, is "moving forward" on procurement and force generation as part of "prudent planning," which does not prejudice final status. While questions remain regarding the legal basis, and the cooperation of the UNSYG will be essential, there is a "strong will" in the EU to deploy the missions.

13. (C) Portuguese Special Envoy for the W. Balkans Tanger, however, told Hoh during a separate meeting that some EU countries are "more hesitant" than a few months ago regarding moving forward on Kosovo, largely because Kosovo will have "huge consequences" for the region (Tanger specified Spain "because of Basque calls for a referendum" and Hungary, Romania, and Slovakia because of their large ethnic minorities). Lehne stressed that the U.S. and the EU should continue to pressure the Unity Team to remain united. Hoh underscored U.S. support for the troika process, emphasized the need for continued prudent planning, and noted the December 10 deadline for the troika's report to the UNSYG. Time, he noted, is not on the IC's side. Further delays would lead to increased radicalization on both sides. Hoh also stressed the need for the EU as an institution to meet the challenge of Kosovo and help manage the situation on the ground by solidifying and maintaining a resolute approach.

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14. (C) In a separate meeting, Lehne told us that the ESDP Mission would "not be a problem," although much depends on the UNSYG. The EU, he said, would be meeting in mid-November with DPKO to discuss how best to proceed, including identifying the legal basis for further action. According to Lehne, UNSYG Ban had called Solana a few weeks earlier to advise that his (Ban's) room for maneuver was narrowing. Lehne said that, while the mission could "formally" report to the UNSR, it could not operationally be under a UN chain of command. The ICO, a "creature of the Ahtisaari concept," could be established, perhaps at the invitation of the UNSYG. Lehne added that member state recognition of Kosovo would be "more problematic." Hoh strongly advised that the EU find a way to address these issues soon so that the IC can be ready to provide the Kosovars a clear roadmap with "a light at the end of the tunnel."

15. (C) Hoh reiterated U.S. support for the troika process in an October 24 meeting with Portuguese PSC Ambassador Pais and Slovenian PSC Ambassador Ipavic. Pais noted that EU troika member Wolfgang Ischinger had briefed the PSC October 23. According to Pais, Ischinger stressed that Kosovo, under international administrative for almost 10 years following a near genocide, is a unique case. Pais said the Portuguese Presidency sees "a reason for optimism," and "a measure of consensus" on the way forward, including the possible launching of an ESDP mission before a UDI. The Presidency is considering setting the stage for this at the November 19 GAERC, but could run into difficulties, given that the GAERC comes before the troika report to the UNSYG. The EU continues to review how 1244 could serve as the legal basis for such a mission. Tanger asked for USG legal experts to consult with the EU. Hoh indicated we are doing so with EU members of the Contact Group and they should play the lead role in consulting with the rest of the EU on these issues. Pais said Portugal would try to send "strong signals" on Kosovo via the "ESDP effort."

16. (C) Pais noted that a continued OSCE mission in Kosovo could help support the rationale for "other organizations" to

establish missions there. In this regard, a "signal" from the U.S. regarding the continuation of the OSCE Mission in Kosovo would be helpful. Ipavic agreed that launching an ESDP Mission before a UDI might be easier, but observed that it might be misinterpreted by the region. Ipavic floated the possibility of an ESDP Mission and "then, the Montenegro scenario," whereby a referendum on independence would be held "after a certain period." That said, she cautioned against "falling into the trap" of continued calls from Serbia for further delays. In any case, Slovenia is prepared to call a special GAERC in January to discuss Kosovo and, presumably, move forward on individual recognition. Hoh said that the U.S. and EU should be prepared soon to provide the Kosovo Albanians a clear roadmap and time-frame of anticipated actions; he reiterated that the troika's report to the UNSYG would conclude negotiations. Regarding OSCE, he agreed on the mission's importance but noted that Russian signals were not encouraging. We needed to be prepared that they and/or Belgrade could force its shutdown, even though its presence served to benefit Serb communities and in the past Milosevic himself had not objected to a robust OSCE presence in Kosovo.

17. (C) Separately, Romanian PSC Ambassador Ardeleanu told Hoh that the Serbs perceive that the dissolution of the ex-Yugoslavia will not end with Kosovo, but will continue with other parts of Serbia seeking independence, e.g. Vojvodina and Sandzak. Ardeleanu said a "unilateral solution" to Kosovo will not serve as a good example, even if it is "not a precedent." (Carl Hallergard of Solana's Private Office noted in a separate meeting that both Ukraine and Georgia have expressed "complaints" to the EU regarding how Russia will manipulate the Kosovo example. He added that some non-permanent members of the UNSC also continue to have reservations regarding Kosovo independence.) Ardeleanu continued that "some sort of agreed solution" must be found. In this vein, more pressure must be placed on the Kosovo Albanians, he concluded. Hoh and the Italian and UK representatives pushed back, noting that all are supporting the troika process, but that chances of it resulting in a negotiated solution remain slim. Hungarian PSC Ambassador Kos stressed the need for incentives for Serbia, particularly to help pro-democracy forces there offer the Serbian population concrete and positive results of the Euro integration process. Kos and the Italian representative cautioned that the West could lose Serbia "for a number of years" if the Radicals came to power as a result of Kosovo independence. Kos also expressed concern about the potential "disaster" of a refugee flow of Kosovo Serbs to Vojvodina after final status.

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18. (C) During an October 24 meeting, ICR-designate Peter Feith expressed concern over possible retaliatory measures from Belgrade in light of final status, including power supply cuts. Feith also noted the "build-up" of Serb parallel structures in northern Kosovo. According to Feith, Ischinger has suggested that UNMIK or the Contact Group should raise this with Belgrade, given that it contradicts the spirit of Belgrade's pledge not to engage in unhelpful rhetoric or provocative actions during the troika process. Turning to other concerns, Feith noted "some nervousness" among NATO allies that some troop contributing countries will withdraw forces from Kosovo. He also noted the possible closure of the OSCE Mission in Kosovo (which Hallergard termed "likely"), reasoning that even a several-month extension would be better than immediate closure. Feith expressed cautious optimism that the ESDP Mission would proceed and that a critical mass of member states would recognize an independent Kosovo, despite the fact that some countries, "including Italy," are a bit shaky. Feith noted that more discussion is needed with the UN over the ESDP Mission, including the possible double and triple hatting of the EUSR.

SERBIA

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¶9. (C) Tanger noted that Kostunica's continued manipulation of the Kosovo issue for internal political reasons, as well as news of ethnic clashes and disputes within the Serbian Orthodox Church, are worrisome. Tanger urged that the IC continue its contacts with Tadic and the armed forces, but also increase its dialogue with Kostunica. Lehne stressed that the EU is trying to keep Serbia's SAA process as separate from the Kosovo issue as possible. Member states would be as "forgiving as possible" regarding Serbian behavior after final status, in the hope that Belgrade would quickly emerge from its post-final status sulk. Separately, Pais reported that Ischinger had told the PSC that "Serbia wants to play the victim." Pais regretted that the EU has few tools in addition to the SAA ("too little and too late" in Pais' view) to help Serbia save face. Hoh agreed on the need to keep Serbia's Euro-Atlantic vision in sight and urged the EU to consider additional and creative ways to demonstrate that a modern, multi-ethnic, and democratic Serbia remains welcome in Europe, including the prospect of fast-track membership along with clear redlines on matters of principle like war crimes cooperation and regional stability.

¶10. (C) According to Mirel, if there is "good" cooperation from Serbia with ICTY (still dependent, at least partially, on an assessment from Del Ponte after her upcoming visit to Belgrade), the Commission will initial an SAA with Belgrade "within days." Slovenian MFA Director for the W. Balkans Grobovsek strongly endorsed this approach to help "anchor" Serbia to the West. The EU will then continue to discuss how it will determine the parameters of "full cooperation" from Serbia with ICTY, in the expectation of signing an SAA after such cooperation has been achieved. A few member states, such as Belgium and The Netherlands, reportedly continue to insist that "full cooperation" means the arrest and transfer of Mladic to The Hague. Hallergard observed that Belgium and The Netherlands also want to demonstrate to their publics that there are "no cheap tickets" regarding EU enlargement. According to Mirel, most other member states support the "Gotovina approach," whereby "full cooperation" translates into actions that will lead to Mladic's arrest and transfer.

¶11. (C) During both the COWEB consultations and separate meetings, EU officials pointed to visa facilitation beginning in 2008 and the beginning of discussions on visa liberalization as some of the EU's main tools in demonstrating Brussels' commitment to Serbia's European future. Hoh expressed concern over developments in Serbia and stressed the need to continue to engage Belgrade, including through strengthening civil society, public outreach, and encouraging business ties and investment camp. Hoh also noted Belgrade's unhelpful role in BiH, Montenegro, and Macedonia. He stressed the need for Serbian cooperation on suspected war criminals as well as U.S. support for the EU's SAA process and urged the EU to review how it can further tie Serbia to the West.

BiH
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¶12. (C) Hoh characterized Dodik's recent statements as

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serious and unprecedented challenges to the High Rep and his use of Bonn Powers. The IC must stand firmly behind Dayton implementation, including support for Lajcak, with consequences for Dodik, Belgrade, and any other actors who obstruct Dayton and jeopardize regional stability. Hoh asked the Portuguese Presidency to raise the EU's deep concern on these issues with Putin during the EU-Russia Summit October 26. Tanger said the Portuguese plan to do so. Mirel acknowledged that, given the impasse over police reform (and therefore the EU's inability to sign an SAA with Sarajevo),

the EU is "a bit lost" on how to influence BiH. All agreed that the OHR should not be terminated next year if the situation in BiH continues to deteriorate. Hoh did not disagree but noted that such a decision need not be taken until next year.

¶13. (C) Lehne noted that he had spoken with Lajcak just before the COWEB began. Lajcak observed Dodik's Janus-faced nature of Dodik -- reasonable in private yet confrontational in public. Lajcak told Lehne that his October 28 meeting with BiH political leaders might be an opportunity to deflate the current crisis. Tanger stressed that the EU would deliver a "strong message" on support for Dayton at the October 30-31 PIC in Sarajevo. He cautioned that Lajcak may face a "lose-lose" scenario if he imposes decisions which are then unheeded on the ground. Speaking during a separate meeting, Tanger voiced his opinion that the EU "won't go for sanctions against democratically elected officials" in BiH. Lehne, also in a private meeting, said he did not see an alternative to Lajcak's strategy. The issue, Lehne stressed, is escalation. He noted that it is "not totally clear" if the IC is prepared to "go all the way" and remove Dodik as well as Silajdzic. Hallergard, too, warned of the risk of the IC's not being able to sustain announced actions. In any case, Lehne added, the IC must help rebuild the authority of the High Rep; otherwise, the situation in BiH will be even worse later -- a sentiment echoed separately by Enlargement Commissioner Rehn's advisor on BiH, Helene Holm-Pedersen.

MACEDONIA

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¶14. (C) EU officials expressed disappointment with the pace of reforms in Macedonia, with Hallergard characterizing actions by various political actors in Macedonia as "a chain of mistakes." Even the incoming Slovenian Presidency, which called for "a conditional date for a date" to begin formal accession negotiations with Skopje, lamented the "lack of a political culture" there. That said, the Slovenes praised Macedonia's role regarding Kosovo. Slovenian head-of-delegation Grobovsek said Slovenia is encouraging Skopje to be constructive, avoid provocations, and remain attuned to Greek public opinion on the "name issue."

¶15. (C) Hoh noted that the pace of economic reform was well ahead of that of political reform. Macedonia's weak efforts to implement the May accord and its machinations over the language law, minorities committee, and Judicial Council, as well as the poor co-habitation between the president and the prime minister, do not augur well. Hoh characterized U.S.-EU cooperation on the ground as improved and suggested further coordination, including on approaches to privatization. Tanger observed that there is very little the EU can do regarding Macedonia and ICTY. Separately, Ipavic admitted that the EU "does not know how to push" Skopje forward, but will continue to tell Macedonia that it must reach out to its Albanian minority. Ipavic noted that Greece is indicating that it may be "very difficult" and may block a NATO invitation to Macedonia over the name issue. Hoh stressed the need to keep the name issue on the Nimetz track and under the radar screen, adding that no decision has yet been taken on NATO invitations.

ALBANIA

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¶16. (C) Hoh highlighted Tirana's significant progress on political and economic reforms as well as PM Berisha's helpful role in the region, particularly on Kosovo. Organized crime and corruption remain serious concerns, which President Bush raised during his visit to Tirana earlier this year. Mirel characterized Albania as "almost the only quiet" country in the region. Mirel and the incoming Slovenian presidency noted the "smooth" implementation of the December 2006 interim agreement and the positive presidential election process. EU officials agreed that Tirana is playing a helpful role in the region, particularly in urging Kosovo

officials to cooperate with the international community on

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final status. That said, Mirel observed that Tirana will need to demonstrate a "track record," and continue to fight corruption and organized crime. Likewise, Mirel added, it will have to expand judicial reforms. The Slovenes called for speedy ratification of by member states of the SAA, saying it would serve as an incentive to the Albanians to implement reforms fully.

MONTENEGRO

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¶17. (C) According to COWEB interlocutors, Montenegro, like Albania, has made "very good" progress on reforms, allowing the EU to sign an SAA with Tirana October 15. The broad support in Montenegro, including support from minority and opposition political parties, for the new constitution was a further "positive sign" of its political maturity. Likewise, its relationship with Serbia and its position on Kosovo are welcome. As with Albania, Montenegro, too, has to expand its anti-corruption and anti-crime measures. Grobovsek characterized rumors that Montenegro wants to apply soon for formal candidate status as reflecting too high expectations, while Mirel termed the level of Russian investment in Montenegro "worrying." Hoh agreed that Montenegro has made tremendous strides and said that EU visa facilitation could be one method of providing concrete rewards for political maturity. He noted that the source of investment is not worrisome in itself; rather, officials should concentrate on ensuring that investment is clean and without political conditions. Hoh added that Serbia's new dual citizenship law was a source of concern and an issue to which the international community should pay attention.

CROATIA

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¶18. (C) Hoh also consulted separately with EU, Portuguese, and Slovenian officials on Croatia (as a candidate country whose accession negotiations have begun, Croatia is not included in COWEB). Commission Unit Head for Croatia David Daly urged the U.S. to support the continuation of the OSCE Mission there, largely to help monitor refugee returns and restitution but also war crimes follow-up. He and others argued that the Croats have fallen far short of their own goals and continued international expertise and pressure are necessary. This issue spills over into completing the resettlement agenda in Bosnia and Serbia as well, Daly said. Hoh noted the need for continued international implementation throughout the country. Washington had concluded, however, that continuing the full-fledged OSCE mission would be overkill. Would not the EU accession process, he asked, be the means to work this issue? Daly and others thought the EU would not be able effectively to pursue the issue and argued for some continued OSCE presence in Croatia. According to the Slovenes, Croatia is playing a positive regional role, although it still has "border issues" to resolve with its four immediate neighbors. Our EU interlocutors noted that they expected the pace of reform implementation in Croatia to pick up after this year's elections.

OTHER ISSUES

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¶19. (SBU) Hoh raised with both Lehne and Mirel U.S. objection to incorporation of former EUMM personnel into OHR staff in Sarajevo. They indicated the numbers of affected staff had been reduced and this arrangement was needed to provide smaller EU governments with political reporting from BiH. Hoh questioned why this task could not be addressed in other ways. He noted that Washington had made clear its concerns about the dual-hatting the EUSR and the High Rep and the need to keep OHR staff focused on the immediate

priorities for Dayton implementation and BiH viability. With PIC members paying the substantial support costs for EUSR staff (and the U.S. paying close to one fourth of these costs), OHR and the EU at least owed an explanation to the PIC. (Hoh told Lehne privately that Lajcak had said he did not request or want this staff, but Lehne said he had heard the opposite from Lajcak.)

¶20. (C) Rehn advisor Holm-Pedersen, noting she was speaking "informally," asked if the U.S. could provide the Commission a briefing on our assessment of Serbia's cooperation with ICTY. Hoh said we would consider this.

¶21. (U) In an aside, Pais noted the paucity of photographs of the U.S.-EU-Russia Troika ambassadors all together. Such photos, he said, are worth a thousand words in conveying the

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message of unity.

COWEB PARTICIPANTS

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¶22. (U) The following participated in the U.S.-EU Troika COWEB consultations in Brussels Oct. 24:

Portuguese Presidency:

Ambassador Antonio Tanger, Special Envoy for the W. Balkans
Jose Pedro Machado Vieira, Deputy Special Envoy for the W. Balkans
Claudia Ribeiro, MFA
Alexandra Bilreiro, Portuguese Mission to the EU
Carolina Ramos da Costa, Portuguese Mission to the EU

Incoming Slovenian Presidency:

Ambassador Bojan Grobovsek, MFA Director for W. Balkans
Damijan Sedar, Slovenian Mission to the EU
Marko Makovec, Slovenian Mission to the EU

European Commission:

Pierre Mirel, DG Enlargement Director for the W. Balkans
Franz Cermak, DG Enlargement, Deputy Unit Chief for Policy Coordination
Alenka Zajc Freudenstein, DG Relex, U.S. Desk

Council Secretariat:

Stefan Lehne, Director for W. Balkans
Johanna Stromquist, Serbia Desk Officer
Sabina Stadler, BiH Desk Officer
Anna-Maria Boura, Kosovo Desk Officer
Terkel Petersen, Albania and Macedonia Desk Officer
Lothar Jaschke, Kosovo Desk Officer

U.S.:

Christopher Hoh, EUR/SCE Director
Laurence Wohlers, USEU Polmincouns
Holly Schwendler, USEU PolMiloff
Vincent Carver, USEU Poloff

OTHER INTERLOCUTORS:

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¶23. (U) In addition to consulting with the EU Troika, EUR/SCE Director Hoh had separate discussions with:

-- Stefan Lehne, Council Secretariat Director for W. Balkans
-- Carl Hallergard, Private Office of High Rep Solana
-- Pierre Mirel, Commission Director for W. Balkans

-- Helene Holm-Pedersen and Myrian Verger, Advisors to
Enlargement Commissioner Rehn

-- Portuguese PSC Ambassador Pais and Slovenian PSC
Ambassador Ipavic

-- Portuguese Special Envoy for the W. Balkans Tanger

-- Romanian PSC Ambassador Ardeleanu, Hungarian PSC
Ambassador Kos, Fabrizio Di Michele, Italian Mission, and
Lance Damm, UK Mission

-- Peter Feith, ICR-designate

-- Joao Pedro Antunes, Portuguese MFA Enlargement; Alenka
Jerak, Slovenian MFA European Affairs; Gabriele Scaramucci,
Council Secretariat Enlargement; and David Daly, Commission
Enlargement Unit Chief for Croatia

[¶](#)24. (U) EUR/SCE Director Hoh has cleared this message.
GRAY

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